

Project Initiating and Definition

Introduction

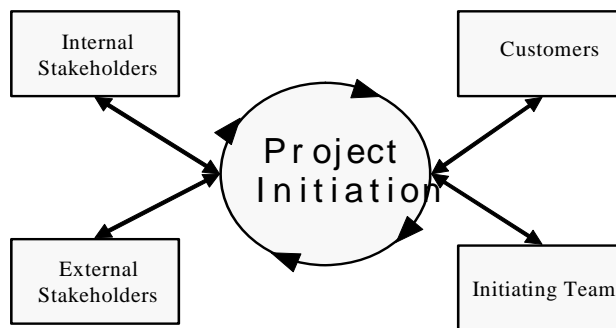
Introduction

The Initiating Process

This portion of the Project Management Methodology establishes the conceptual view and general definition of a program or group of related projects.

This starting point is critical because it is essential for those who will ultimately produce the desired project deliverables, those who will use those deliverables and those who have a stake in the program to reach agreement on the problem and its solution. The process is represented in the figure below.

Contributors



Elements of the Initiating Process

This first section defines the general guidelines for defining the overall parameters of the project. The following sections have been organized to be consistent with how a program might progress through the initiating process. Within initiating, the project's end product(s) are defined.

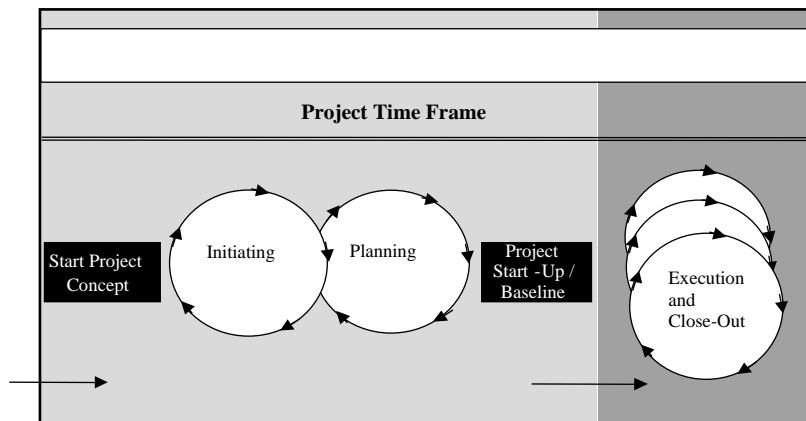
Project Initiating and Definition

Introduction

Project Management Process Groups

Shown below is the relationship between the various project management processes. The initiating process is the first process and overlaps with project planning. Activities conducted during the initiating process will eventually be integrated into the various planning documents and will ultimately drive all the planning elements such as schedule and budget.

Project Management Process Groups



How to Develop a Business Case

First, a team of individuals is created to develop the Business Case. This team is referred to as the Initiating Team. The team should consist of a Project Sponsor, a Steering Committee, a Project Manager and other technical, functional and administrative members as necessary to develop the document. The Business Case defines the program's charter and helps ensure that the program is consistent with the organization's business plan and IT strategic plan. It also defines a high-level approach for addressing the goals of the charter and other top-level planning information. Ideally, the information contained in the Business Case provides management with the information necessary to decide if the program should be supported and funded.

The Business Case should not be a collection of technical information, but should state what is to be done, why it is to be done, and how it will be done.

The Business Case and related business analysis are preliminary to developing a detailed Project Plan for each project defined in the Business Case.

Projects will vary in terms of complexity, but all should have some level of initial concept definition. For some projects, it may take only a few days to complete. For others, it could take years. In this case, the solution should be divided up into smaller projects which collectively solve a common business problem.

Project Initiating and Definition

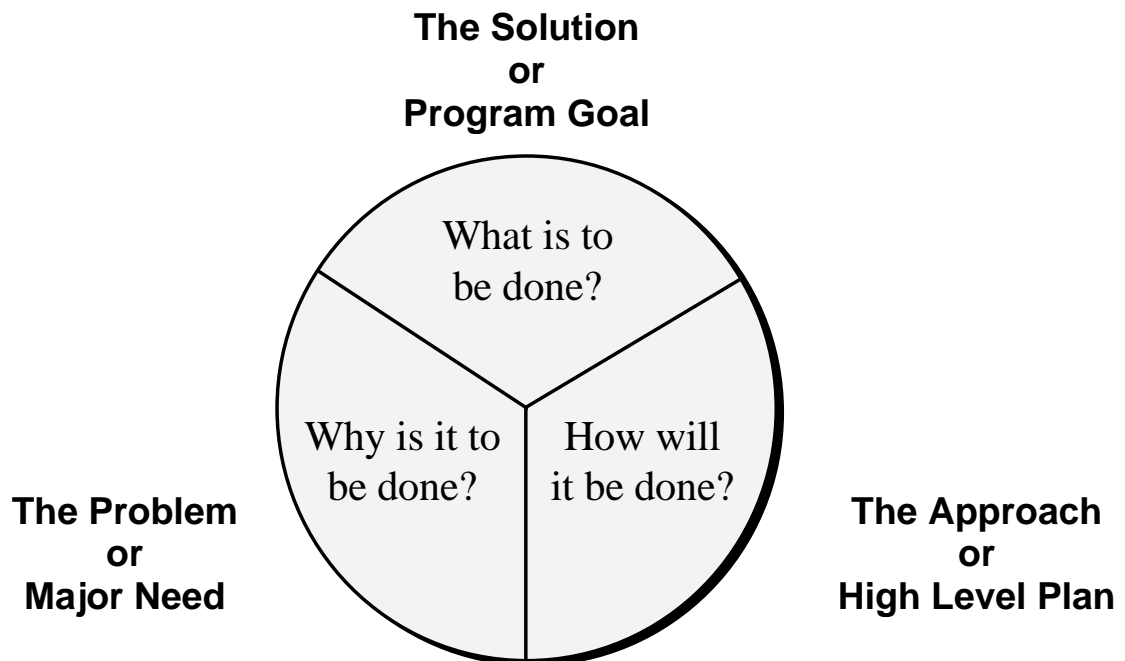
Business Case

This process is critical to guaranteeing buy-in for a project, improving the ability to plan carefully and greatly increasing the likelihood of success.

Enterprise Projects or Programs

Quite often several separate projects are required to accomplish a program's business goals and objectives. This collection of related projects is referred to as a program. Sometimes, it is referred to as an Enterprise Project. The program might include a Requirements Definition Project, a Design Project, a Development Project, an Implementation Project, and a Roll-out and Training Project. If all of these projects are required, they should be documented in the Business Case in the section of the document called: High-level Implementation Plan.

Major Questions to be Answered during the Initiating Process Group



The Role of Business Analysis

Analyzing program constraints, alternatives and related assumptions may also be part of the initiating process. This material should build upon the material already documented in the Business Case. Remember to keep these activities at a high level so that they do not result in a detailed design document.

Throughout the process, the Initiating Team should meet with the Steering Committee and other groups to conduct a review of its work. These reviews provide a forum for information exchange.

Project Initiating and Definition

Business Case

No separate document exists to refine the review process. The materials generated during the development of the Business Case should define the agenda for the associated review meetings.

The Environment of Initiating

The atmosphere during the initiating process is marked by indecision and hesitation and characterized by things like:

- **Project Team Frustration**
The desire of the related project staff to get the project moving and to start designing the solution.
- **Management Non-Commitment or Confusion**
There is a lack of full commitment on the part of management; usually, there is too little known, and the Project Team cannot provide more than rough estimates for “how much and how long.”
- **Customer Indecision**
The customer seems unable to provide a consistent description of the project requirements.

Many problems during the initiating process are due to the difficulty in getting a project or program to move forward. This is a direct result of the atmosphere defined above. The most difficult commitment to obtain is from top management and customers. A summary of typical problems is highlighted below:

- **Scarcity of Resources**
Many of the problems are related to assembling the initial project concept team. Locating the “right” people is rarely easy.
- **Lack of Coordinated Leadership**
While qualified team members may be in short supply, individuals serving as leaders may be numerous. In many cases, the initiating process is led by too many people. Such environments create an atmosphere of bad or disjointed decision-making.
- **Lack of Consensus on the Project Objectives**
It is not uncommon to find that there are many different ideas as to what the problem really is and how to solve it. Rapid prototyping can be useful when general agreement on the concept is difficult to reach. Concepts are often easier to integrate when the team is considering something concrete.

Project Initiating and Definition

Business Case

Elements of the Business Case

During this part of the initiating process, the Project Team defines the:

- Project charter which includes:
 - The business problem or need
 - The project goals
 - The project objectives
 - The project success factors
- High-level approach and strategy
- High-level cost estimates for each anticipated project in the program
- Assumptions made during the development of the Business Case.

The Project Team may also review information and conduct meetings and JAD (Joint Application Development) sessions. At this point, items to be considered would be things like:

- Preliminary “build versus buy” solution
- Appropriate methods for application and deployment of technology
- General resource requirements and constraints such as skills, architecture, facilities, time or money. Assumptions regarding these issues must be documented in the Business Case.

The materials generated within this process will be used to evaluate the appropriateness of a specific project or program.

Do **not** generate a voluminous document, but rather provide a concise summary of information to determine if the project should be supported.

Who Does What?

The levels of responsibility are:

- The **Project Manager**, for developing the Business Case and orchestrating or facilitating the initiating process.
- The balance of the **Project Team**, for providing analysis, research and support.
- The **Steering Committee**, representing the State, for reviewing the information and participating in the review sessions.
- Other **Stakeholders and Customers**, for providing input via JAD sessions and other processes to define what the scope of the project or program should entail.
- **The CIO**, if requested, for reviewing the final collection of materials related to the initiating process when the Steering Committee determines that the program should move forward.

Project Initiating and Definition

Business Case

Developing the Business Case

There are various methods for developing the needed information that the Project Team may need. These methods include things like:

- Brainstorming sessions
- Executive interviews
- Stakeholder meetings
- Technology research
- Interviews with technology experts
- Vendor demonstrations
- Requests for Information (RFI)
- Visits to peer or related organizations.

These methods should be aimed at defining the Business Case at the highest conceptual level that provides the necessary project charter and implementation strategy. The Project Teams should avoid developing detailed requirements documents, designing the system or developing detailed project plans at this point.

A Plan for Planning

Organizations will need a high-level plan which will define the effort required to complete the goals of the program. This high-level plan may not necessarily be detailed or baselined, but will be used to understand, review and approve the cost and time necessary to complete these activities.

This high-level plan must include the time and effort for preparing detailed project plans. Planning for the plan requires effort in itself and must also be estimated. This information will be especially important if additional funding is needed for these processes. Again, this is a plan for doing the planning and not the execution of the project. It should consist of:

- Tasks to complete the specific project planning activities. The estimated number of tasks should be 2 to 10.
- Estimated time and cost for these tasks.

Timeframe for Completion

The general timeframe for most Project Teams to complete a Business Case varies widely and is driven by many different factors. Each situation is unique and will require different levels of detail, research and development.

Project Initiating and Definition

Business Case

Business Case Form

The form designed to document the Business Case is PM-01. A copy of a blank form is located in Appendix B.

Business Case Example

An example of a completed Business Case is located in Appendix D. This example is included to indicate how the document should be completed. It does not necessarily reflect a ideal example or an ideal model for you to use. A perfect Business Case is one that:

- Effectively communicates all of the concerns of a Business Case. It should do it so effectively that the reader understands and sees the problem and solution in the same way as the author.
- Is written concisely. A Business Case should include all of the facts relevant to the program, but it should be no longer than necessary.
- Represents a consensus of the participants. The process of developing the Business Case is as important as the final product.
- Is consistent with the strategies of the organization.
- Is consistent with all technical architectural standards.
- Has been reviewed by a variety of subject matter experts to ensure all issues have been considered.
- Includes all of the assumptions used to develop the document. The assumptions are used to help the reader understand the basis for all cost figures found in the Business Case.
- Can be used to help “sell” the project to others.

Alternate Approaches to the Preparation of a Business Case

As a Project Manager preparing a Business Case, you can ask focused questions of the Sponsor and other members of the Initiating Team. This is a time of learning, building trust and opening communication channels. You are partners at this point and your success depends on the trust you build at this stage.

The scope description is probably the most important and the most difficult part to develop. In addition, sometimes documenting what is out of scope is as important as what is in scope. Defining what the scope is helps clarify the concerns for all participants.

Level of Detail

Large projects justify a significant effort in developing Business Cases. Multi-day off-site meetings with business process owners may be appropriate for developing these documents. Very small projects (less than one staff month) may only require a phone call to the business process owner to confirm requirements, priority and to convey expected start and completion dates.

Your agency may want to allow different formats for small, medium and large projects. Projects that are very high risk should be documented the same as large regardless of the dollars to be expended. The following section defines three different levels of documentation for the three different sizes.

Project Initiating and Definition

Business Case

Three Different Formats of a Business Case

A. Business Case for a Small Project

Confirm the requirements as stated in their request and the priority of the request. Inform them of the expected start and completion dates and any tasks which they must perform. Discuss contingencies which could affect the plan. Document all discussions with a follow-up note.

Sample Follow-up Note

To: Customer/Business Process Owner
From: Project Manager
Subject: DPSR 012345

Based on our conversation this afternoon, we will assign staff to work on this DPSR starting Monday. The requirements stated on the DPSR have not changed except the related system changes described will not occur at this time. Therefore, this project will add the operator's initials to the note that is generated when an address is changed. We expect to complete unit and system test by May 15. Your staff will need to complete acceptance testing the 16th if we are to release this in time for the next production run on Friday the 17th.

If this enhancement is not accepted on this schedule, we will run the manual process we have been using for the past three months again on the 17th and correct our problems to get this into production the following week.

B. Business Case for a Medium-Sized Project

The Business Case for a medium sized project is more formal than the documentation of a small project but not as detailed as a standard Business Case. You may use the structure of the Business Case and simply provide less detail.

C. Business Case for a Large Project

For a major project or program for your agency, use the standard Business Case form. It should be completed carefully and concisely. A well prepared Business Case will lay the foundation for good project planning and will greatly improve the probability of success for all participants. It may be tempting to jump right into the planning, or even right into the project execution itself. But, by studying thousands of projects, we have learned that projects that start correctly have a much higher success rate than those that don't start well. Starting well includes developing a good Business Case. In addition, a strong Business Case becomes more and more significant as the size of the project, the risks of the project and the impact on the organization increases.

Table of Contents

CHAPTER 2 PROJECT INITIATING

<i>Introduction</i>	<i>1</i>
The Initiating Process	1
Elements of the Initiating Process	1
Project Management Process Groups.....	2
<i>How to Develop a Business Case</i>	<i>2</i>
Enterprise Projects or Programs	3
The Role of Business Analysis	3
The Environment of Initiating.....	4
Elements of the Business Case	5
Who Does What?	5
Developing the Business Case	6
A Plan for Planning.....	6
Timeframe for Completion	6
<i>Business Case Form</i>	<i>7</i>
<i>Business Case Example</i>	<i>7</i>
<i>Alternate Approaches to the Preparation of a Business Case</i>	<i>7</i>
Level of Detail.....	7
Three Different Formats of a Business Case.....	8